

## **HIJOS DE JUAN DE GARAY, S.A.**

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C.I.F. ES-A-20021507

January 15, 2002

Ms. Gloria Blue  
Trade Policy Staff Committee  
Office of the United States Trade Representative  
600 17th Street, N. W.  
Washington, D.C. 20508

RE:Section 201 Proceeding on Certain Steel Products;Comments on  
what action the President should take under Section 203(a).

Dear Madam Secretary:

Hijos de Juan de Garay is a producer of high quality and value, welded cold drawn steel tubing. We have been supplying this product into the US market for over 25 years. We are a member of the European Steel Tube Association (ESTA) and supporting the actions our association is doing to defend our interest related with Investigation No. TA-201-73 we expose the following remarks:

We wish to comment on the product exclusion for SAE J525, and ASTM A513, T5 & T6 welded cold drawn mechanical tubing, with the following HTS designations:

J525 welded cold drawn hydraulic fluidline tubing -  
7306.30.1000, 7306.30.5020, 7306.30.5015

ASTM A513 T5, T6 welded cold drawn mechanical tubing -  
7306.30.1000, 7306.30.5015, 7306.50.5030, 7306.50.100

These are not just welded tubes such as fence tubing, conduit tubes or black pipe, where anti-dumping and countervailing duty actions have been prevalent over the last 10 years. The tubes in question undergo additional processing, in particular, cold drawing after welding, which makes it a high quality, value added product requiring extensive tube making skill.

### **HIGH QUALITY & VALUE**

These products are crucial in the production of assemblies by the automotive, agricultural and OEM equipment manufacturers. They are used in the automotive fluid tubing assemblies, lubrication lines, hydraulic lifting devices, shock absorbers, struts, steering columns, fuel lines, motors and numerous tube assemblies.

### **INSUFFICIENT DOMESTIC PRODUCTION**

The tubes are specialized products that require a high degree of technology and tube making skill, and as a result there are a limited number of producers worldwide. Domestic Mills are unable to meet demands of the market, extending delivery times as much as 5-6 months when the economy is active. This leaves many manufacturers without product.

Cooper Tire & Rubber Company & Metalurgica de Tubos de Precisão Ltda, have commented on this shortage in their response to the USTR.

#### **IMPORTS OF THIS TUBING DO NOT CAUSE HARM OR THREATEN INJURY TO ANY US PRODUCER**

Domestic producers have not shown that the importation of these high value tubular products have produced any harm or threaten injury to any US producer. We support the comments of KOSA - welded pipe, especially that "it would be very difficult to reconcile a "serious injury" finding with an industry which had profits upwards of 4% throughout the period of the investigation".

There is no issue of anti-dumping nor countervailing duty suits.

#### **INSIGNIFICANT PERCENTAGE OF US IMPORTS**

The amount of exports from Garay to the US market, on an annual basis is less than 1/10th of a percent of the 2.6 millions tons imported.

#### **CONCLUSION**

In view of the above, J525 welded cold drawn tubing and ASTM A513 T5, T6 welded cold drawn mechanical tubing, should be excluded from remedies imposed on "other welded tube" category, in Section 203A of the Trade Act. Adding these tubes to the general mix of "other welded tubes" would be detrimental to the industries that depend on imported material for their production

Respectfully submitted  
Hijos de Juan de Garay